By Carl Malamud

Telecom Troubles? It's Trickier in Thailand

Long lead time for dedicated lines got you down? Or is it just that your packet-forwarding rates are a tad suboptimal?

Serious problems, no doubt about it. But the next time you feel like launching into a litany of complaints about your telecommunications troubles, count to 10 and consider some of your colleagues overseas.

I recently got back from Thailand, where I was helping a nonprofit development group in Bangkok set up an MIS department. The organization has 600 employees on 16 sites and, when I got there, was running 16 PCs and an antiquated IBM System/36. (They still are, but that's another story.) In the course of my work, though, I learned to appreciate the telecommunications climate in the United States.

Take plain old telephones. The concept of a main number for a business is fairly new in Bangkok. *The Nation,* a leading English-language newspaper, is listed this way in the phone book: "The Nation, 59 Soi Saengchan Sukhumvit, 392-0050-8, or call 391-7172, 390-2607, 391-1004, or call 392-0994, 392-2557-8."

That's just for starters: The real information overload comes with business cards. These often list a dozen phone numbers for people to try, along with fax numbers. There isn't much room left for e-mail addresses.

They're all functioning numbers on the switchboard, by the way. If you get a busy signal, you just keep trying the alternatives. A redial button doesn't help here, since it tries the same number over and over.

One way to get around the problem is to have your secretary keep trying the numbers in succession. Another approach is to try to figure out which numbers have the best chance of being free at any given time, a kind of minilottery. It pretty much comes down to iteration or intuition, with few other choices in between.

The X.25 network, Thaipak, has a similar setup. The packet assembler/disassembler in Bangkok includes 30 different phone numbers. The chance of any particular number working for two consecutive days is something on the order of a minor miracle. In fact, I know one gentleman who calls up the service desk

before making data calls to find out which numbers are available.

Of course, if you live in Thailand, having too many phone numbers is the least of your problems. The wait to put in a plain old analog line can easily stretch over years. The recommended procedure is to pay a "nonrefundable cash deposit" of 60,000 baht ($2,250, or two to three times the monthly salary of many employees), which cuts the lead time to six months or so. I know a guy who won't pay as a matter of principle; he's been waiting for three years.

The basic problem here seems obvious: There are not enough phone lines. The telephone company itself concedes a shortfall of several million lines. Worse, only a small percentage of the demand will be met in the next few years.

If you do have a telephone, you'll find that the local office switches are so overloaded that performance starts at erratic and becomes progressively more chaotic. Busy signals simply mean that your call did not go through, not that the phone is engaged at the other end. Dial tones aren't always real: You've got to listen carefully to see if you have an ersatz dial tone coming from some phantom central office switch.

Leased lines are even worse. One prominent multinational company pays $8,000 per month for a 9,600-kbit/s link to Hong Kong, the company's greatest single expense in Asia. For its money, the company gets a line guaranteed to go out at least five times per day. I sat down with the network manager once and watched 37 outages in a single day. Although it's impossible to get the phone company to confirm it, most of the outages seem to be caused in the local loop on the Thai end.

All of these problems can be shrugged off as inconveniences—understandable ones given Thailand's status as an emerging nation—but they're lethal to business.

Several corporate executives doing business in Thailand say the lack of a suitable infrastructure has delayed expansion plans, and a few indicate they are shifting their focus to countries such as Malaysia (which has, comparatively, an excellent infrastructure).

Why can't the government get the infrastructure in place? One reason is simply that the rapid growth of the Thai economy caught planners by surprise. Another is the Thai aversion to taking on

debt. There is a government-wide annual debt limit of $1.2 billion per year, which covers all government expenditures, including long-term bonds. It only takes a couple of road or sewage projects to eat up that limit.

To get around the problem, the Telephone Organization of Thailand has come up with some novel capital-raising schemes. For example, vendors installing telephone systems are required to finance the cost of new equipment, which then becomes government property. Even users are asked to pay capital costs: Getting an X.25 connection, for example, used to mean renting a substandard modem from the Communications Authority of Thailand and then supplementing it with one that worked.

A more serious hindrance to expanding the infrastructure is the extent of corruption in government procurement. The standard under-the-table fee is at least 10 percent of the value of the contract. There have been several instances of large procurements being delayed because the various parties could not agree on how to split up these "commissions." The way U.S. companies get around these prohibitions is to sell to a "VAR" who takes care of these details. The VAR is often a one-man operation, sometimes a former government official working out of a basement.

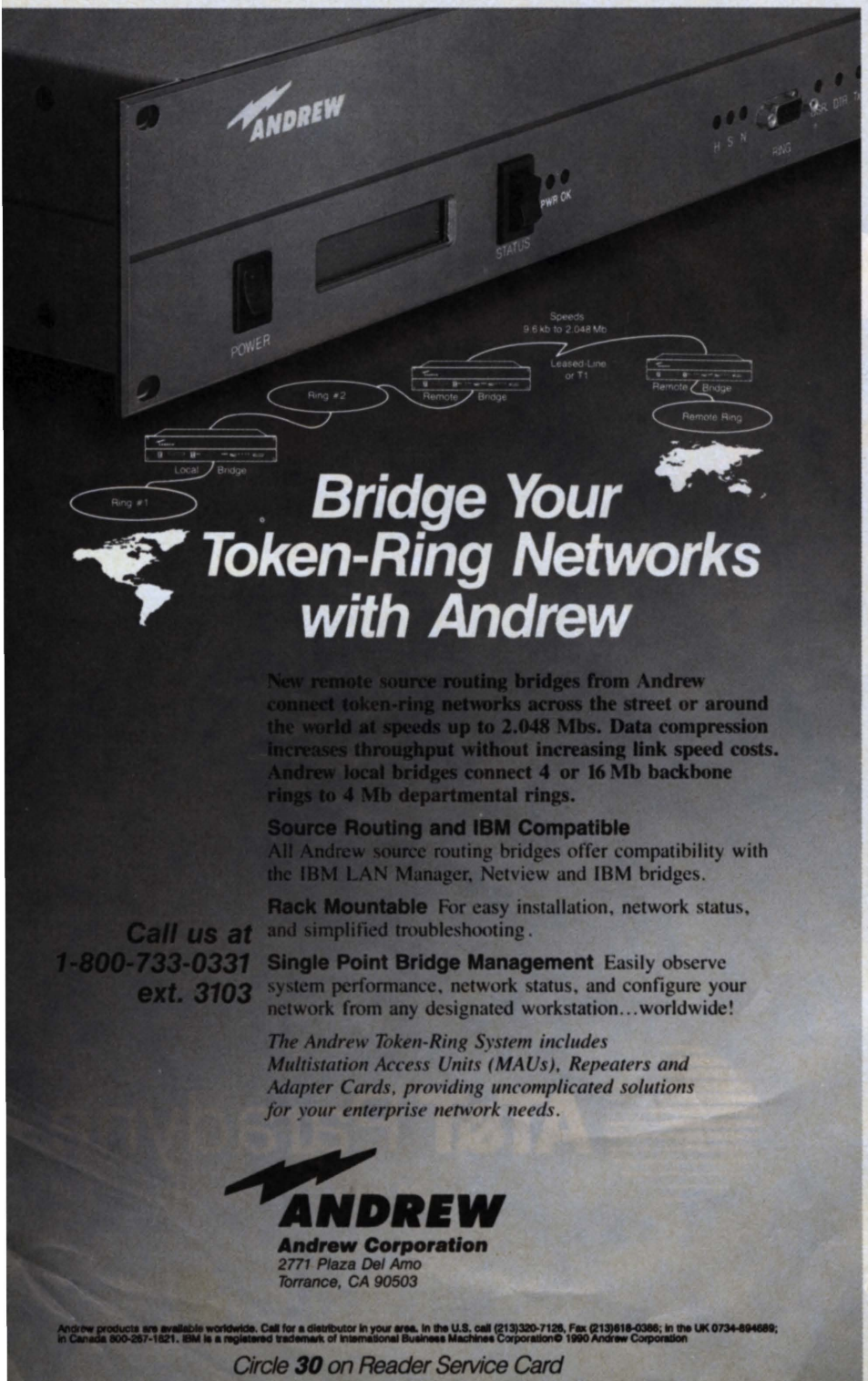
Sadly, for those doing business in the Third World, this situation may sound like old hat. The real trouble comes when a country such as Thailand begins positioning itself as an NIC, or newly industrialized country, in the same league as Hong Kong, Singapore, or Taiwan. Key business leaders in Asia were hot on Thai prospects a few years ago. The lack of an infrastructure, however, is making many of them re-evaluate their original enthusiasm.

That's not to say that it is impossible to do good work in Thailand. There are highly competent business executives and even a few successful data processing projects. The prime minister's advisory council, for example, has a modern PC-based network. Of course, one of the prime minister's key advisers conceded to me that a significant portion of the software was bootlegged.

Still, successes are few and far between. High import duties on computer equipment, government corruption, lack of copyright protection for software, and an inadequate telecommunications infrastructure have all retarded the growth of the local data processing industry.

Will it change? I don't know. As one long-term resident of Thailand told me, "After 20 years in Bangkok, if somebody told me their telephone jumped off the table, ran over, and slapped them in the face, I wouldn't be surprised." ■

Carl Malamud, a contributing editor of DATA COMMUNICATIONS, is a former columnist with the *Bangkok Post*. He has made numerous trips to Thailand researching the computer industry.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